

REPORT ON THE
FIFTY-FOURTH ACTUARIAL VALUATION
OF THE STATE TEACHERS'
RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2001

OCTOBER 23, 2001

October 23, 2001

Board of Trustees
State Teachers' Retirement System
of Vermont
Montpelier, Vermont 05633

Dear Board Members:

Section 1942, subsection (n), of Title 16, Chapter 55, Vermont Statutes Annotated, relating to the State Teachers' Retirement System of Vermont, provides in part that the actuary shall make annual valuations of the system.

The fifty-third actuarial valuation of the system, prepared as of June 30, 2001, has now been completed and the results are presented in this report, together with our recommendations in regard to contributions payable by the State.

On the basis of the current valuation, we recommend that a normal contribution of 2.81% of covered compensation and a payment of \$10,815,322 towards the liquidation of the unfunded accrued liability be made. Based on the reported payroll, the total contribution amounts to \$22,146,880 for the year beginning July 1, 2001. Schedule G provides the estimated contributions for the following two fiscal years.

The Table of Contents, which immediately follows, outlines the material contained in this report.

Respectfully submitted,

Stephen G. Peterson, F.S.A., E.A.
Principal and Consulting Actuary

David L. Driscoll, F.S.A., E.A.
Consulting Actuary

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REPORT ON THE FIFTY-FOURTH ACTUARIAL VALUATION OF THE
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2001

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below:

Valuation Date	June 30, 2001	June 30, 2000
Active members		
Vested	7,388	7,415
Not vested	<u>2,876</u>	<u>2,819</u>
Total	10,264	10,234
Compensation	\$403,258,305	\$387,998,959
Average age	45.05	44.88
Average service	12.10	12.02
Average compensation	\$39,289	\$37,913
Retired members and beneficiaries		
Number	3,812	3,647
Annual retirement allowances	\$42,867,493	\$38,982,920
Inactive members	2,654	2,414
Terminated vested members	495	356
Adjusted assets for valuation	\$1,116,845,541	\$1,037,465,880
Unfunded actuarial accrued liability	\$137,495,648	\$136,620,938
Annual actuarial accrued liability contribution	\$10,815,322	\$10,300,307
Normal contribution rate	2.81%	2.75%

2. Comments on the results of the valuation are given in Section IV and further discussion of the contribution levels is set out in Section V.
3. Schedule B outlines the full set of actuarial assumptions and methods employed in the current valuation.
4. Schedule C outlines the benefit provisions that were taken into account in the valuation.
5. As part of the regular valuation, experience of the system during the previous year has been analyzed. We have summarized in graph form in Section VI experience during the past year.
6. Schedule F shows a graph of projected benefit payouts during the next ten years of benefits payable to current and future pensioners.
7. Schedule G shows projected contributions for the two following fiscal years.

SECTION II - MEMBER DATA

1. Member data were furnished by the Retirement Division.
2. Schedule D presents tables that summarize active members, by age and service and service pensioners, disability pensioners and beneficiaries by annual benefit levels.

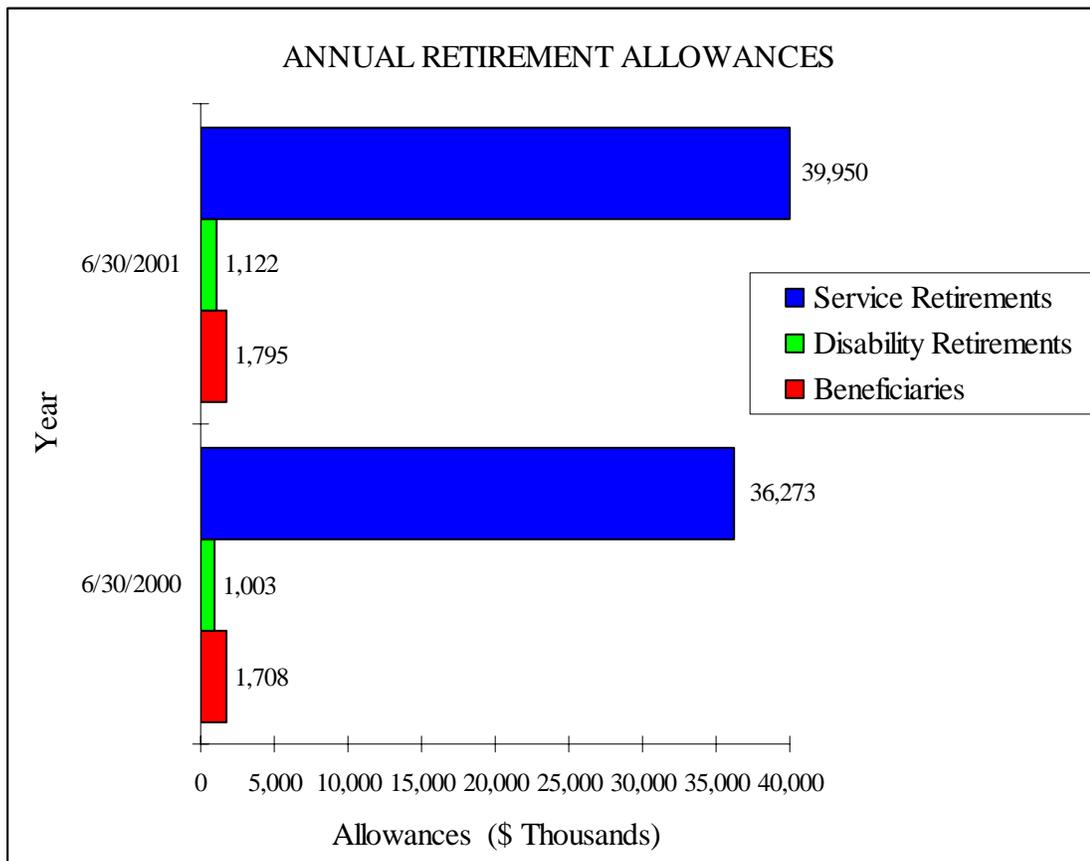
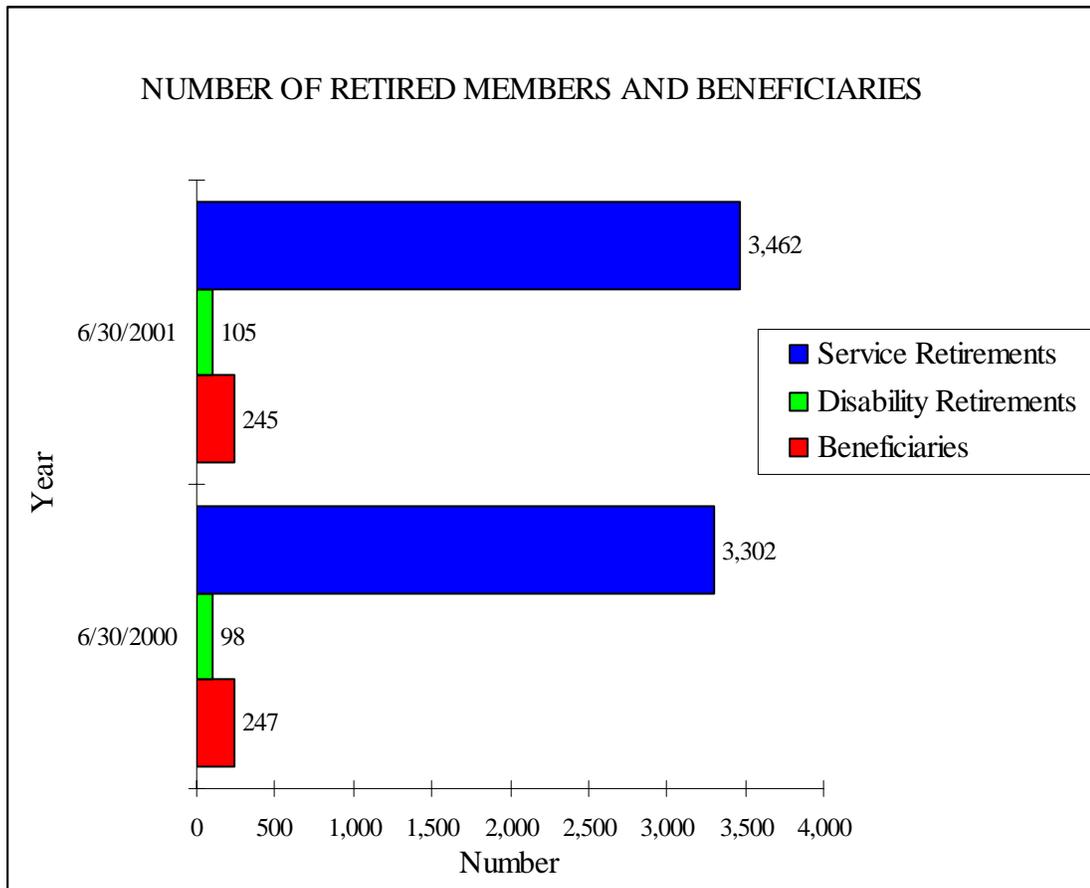
3. The following tables show a summary of membership of the system:

THE NUMBER AND ANNUAL ALLOWANCES OF RETIRED MEMBERS
AND BENEFICIARIES AS OF JUNE 30, 2001

GROUP	NUMBER	ANNUAL ALLOWANCES
Service Retirements	3,462	\$39,949,987
Disability Retirements	105	\$1,122,382
Beneficiaries of Deceased Members	245	\$1,795,124
Total	3,812	\$42,867,493

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS
AS OF JUNE 30, 2001

GROUP	NUMBER	ANNUAL COMPENSATION
Group A	73	\$3,493,354
Group C	10,191	\$399,764,951
Total	10,264	\$403,258,305



SECTION III - ASSETS

1. The amount of assets taken into account in the valuation is based principally on information supplied by the Retirement Division.
2. For actuarial purposes, the assets are valued using a method which reflects the market value of assets through gradual recognition of any unrealized appreciation or depreciation in assets beyond the assumed 8½% return, provided the adjusted asset value is within 20% of the market value. The following shows the development of the valuation assets.

Assets for valuation purposes, June 30, 2000		\$1,037,465,880
Cash flow during year (net of investment income)		
Contributions paid	\$ 35,789,852	
Benefit payouts	(44,057,595)	
Expenses	<u>(17,405,338)</u>	
Net		\$(25,673,081)
Expected investment income (8-1/2%)		<u>99,627,125</u>
Preliminary asset value		\$1,111,419,924
Market value, June 30, 2001	\$ 1,138,548,007	
Preliminary asset value	<u>1,111,419,924</u>	
Unrecognized appreciation	\$ 27,128,083	
Adjustment	x 20%	<u>\$ 5,425,617</u>
Adjusted asset value		\$1,116,845,541
Assets for valuation purposes, June 30, 2001		\$1,116,845,541

3. The assets for valuation purposes are 98.1% of market value.
4. The investment rate of return for the year ending June 30, 2001 is 10.25%, based on the valuation assets.

SECTION IV - COMMENTS ON VALUATION

1. Schedule A of the report contains the valuation balance sheet, which shows the present and prospective assets and liabilities of the system as of June 30, 2001.
2. The adjusted assets of the system amount to \$1,116,845,541. The present value of prospective allowances to be paid to current retired members, terminated vested members and beneficiaries amounts to \$458,852,661 and the present value of prospective benefits expected to become payable to current active and inactive members amounts to \$1,003,872,710, for total liabilities of \$1,462,725,371. Therefore, after subtracting assets of \$1,116,845,541, the amount to be provided through prospective contributions is \$345,879,830.
3. Prospective member contributions have a value of \$108,554,659, which leaves \$237,335,171 to be met by the State. The State's contributions consist of a normal contribution and an accrued liability contribution. The accrued liability contribution represents the amount (assumed to increase by 5% each year) necessary to liquidate the balance of the unfunded accrued liability as of June 30, 2001 over a 17-year period from that date. Future normal contributions represent the balance of contributions needed to fund the system. After subtracting the current balance of the unfunded accrued liability, \$137,495,648, from the present value of prospective State contributions, \$237,325,171, there remains \$99,829,523 to be met by future normal contributions. We have calculated that future normal contributions at the rate of 2.81% of members' compensation are required to provide this amount.

4. The normal contribution rate of 2.81% may be compared to the rate of 2.75% determined as of June 30, 2000. The following table indicates the reasons for the increase in rate:

ITEM	EFFECT OF (GAIN) OR LOSS
Normal rate as of June 30, 2000	2.75%
Investment experience	+0.01%
Salary increases	-0.05%
Retired member mortality	+0.06%
COLA	-0.02%
New members	+0.28%
Contribution shortfall	+0.07%
Net withdrawal/retirement	<u>-0.29%</u>
Normal rate as of June 30, 2001	2.81%

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE SYSTEM

- Section 1942, Subsection (n), of Title 16, Chapter 55, Vermont Statutes Annotated, relating to the State Teachers' Retirement System of Vermont, indicates that the actuary shall submit to the Board of Trustees his recommendation as to the contributions payable by the State based on annual valuations of the assets and liabilities of the system.
- On the basis of the results of the current valuation, and assuming contributions are payable monthly, the actuary recommends that the Board of Trustees certify the following contributions for the year commencing July 1, 2001:

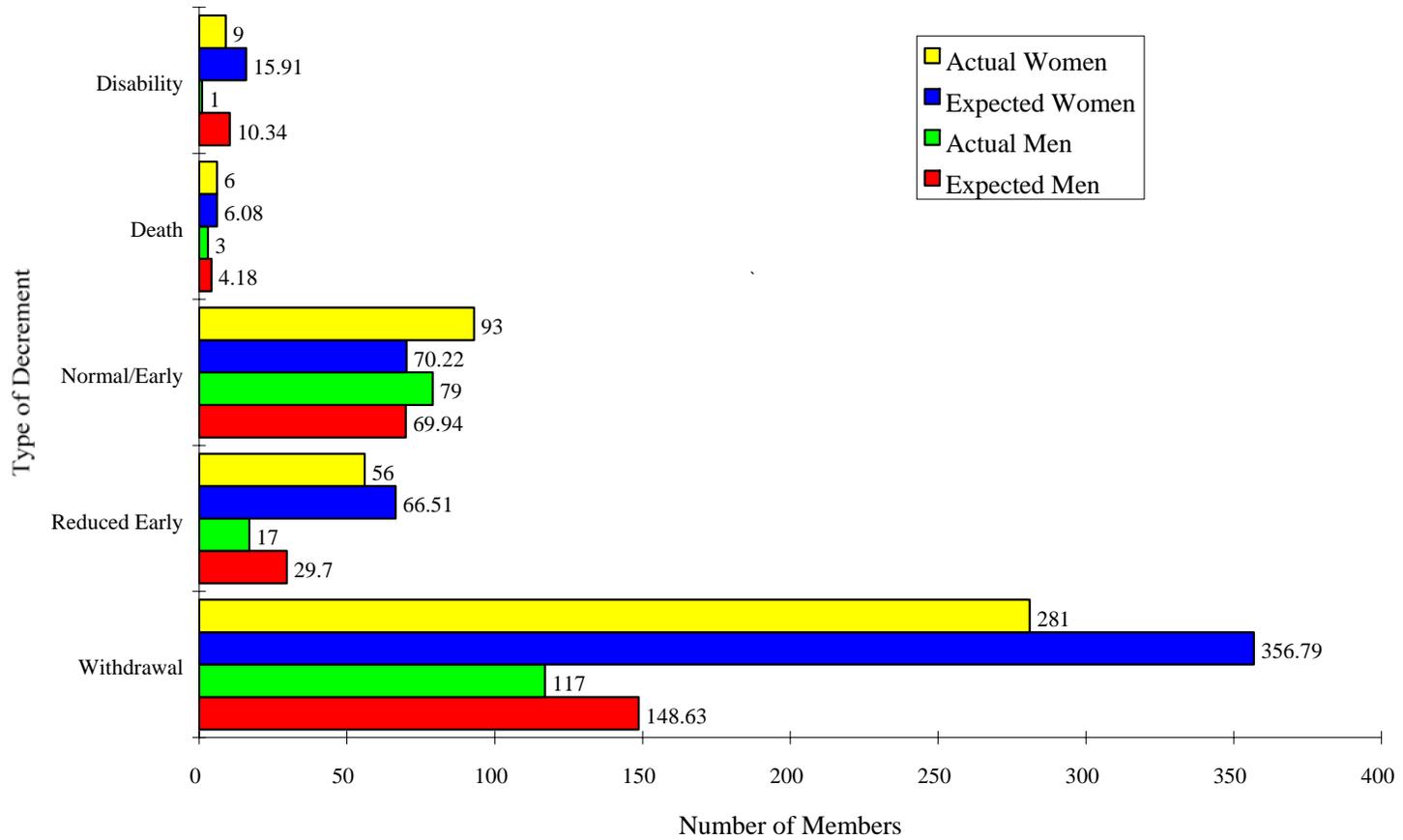
Normal contribution	\$11,331,558
Accrued liability contribution	<u>10,815,322</u>
Total	\$22,146,880

SECTION VI - EXPERIENCE

1. Records are maintained whereby the actual experience of the system may be compared with the expected experience based on the tables adopted by the Board of Trustees. This experience is reviewed periodically, and any change suggested by the cumulative experience of the system will be recommended to the Board.
2. The active service and salary experience for the latest year is summarized in graphs on the following pages.

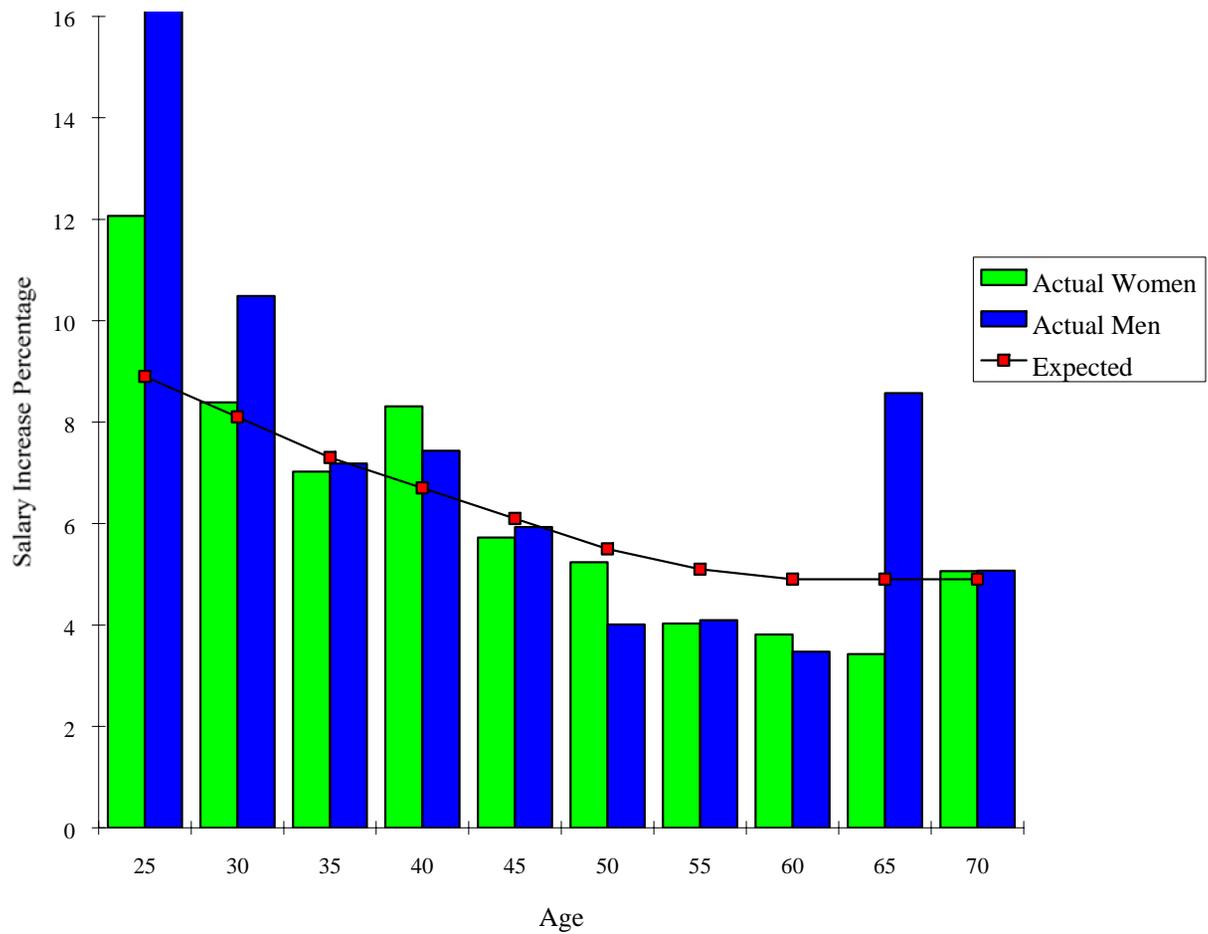
ACTIVE SERVICE EXPERIENCE

July 1, 2000 through June 30, 2001



SALARY EXPERIENCE

JULY 1, 2000 THROUGH JUNE 30, 2001



SECTION VII - ACCOUNTING INFORMATION

1. Based on our interpretation of Statement No. 25 of the Governmental Accounting Standards Board (GASB), we are providing the following Schedule of Funding Progress for accounting purposes.

SCHEDULE OF FUNDING PROGRESS

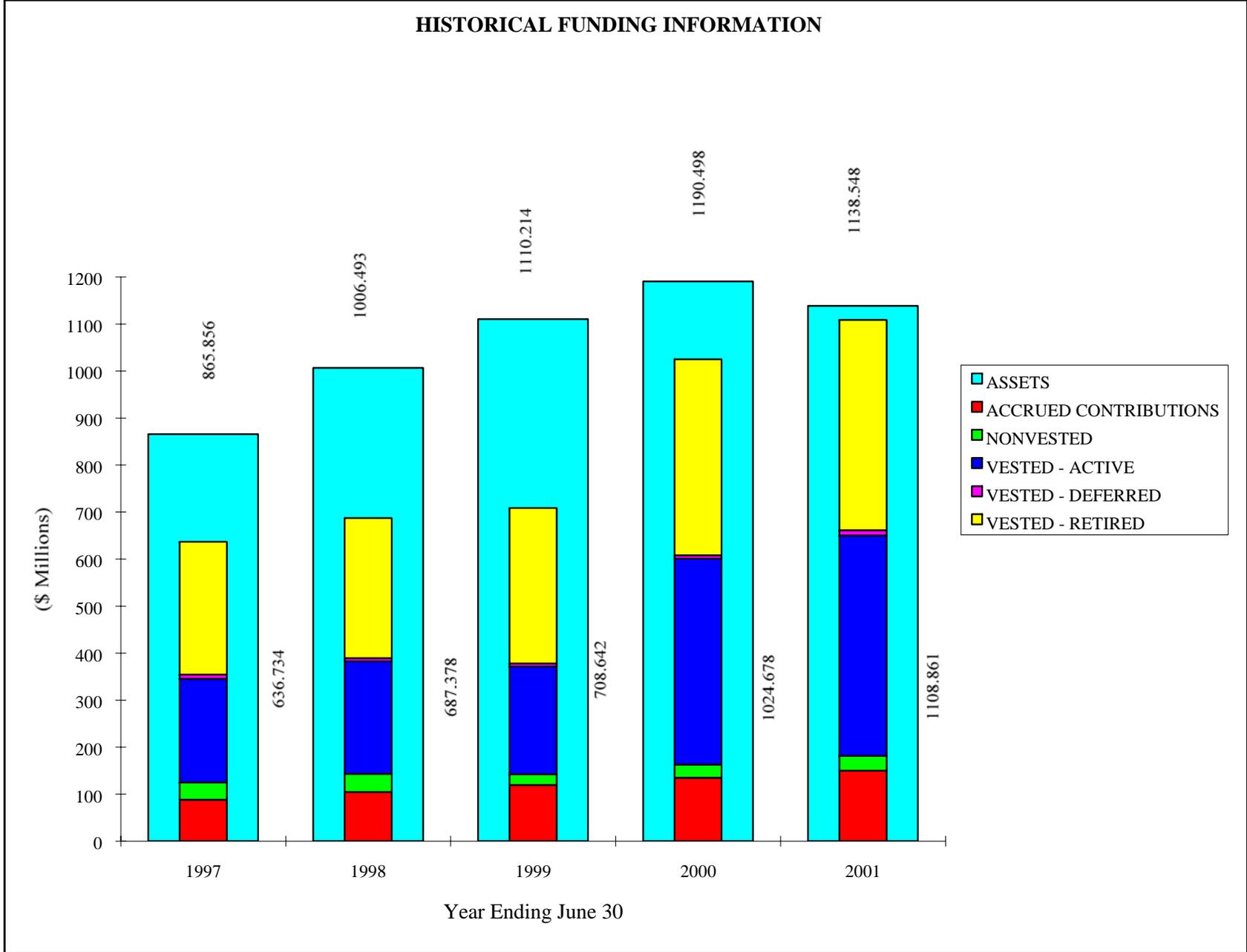
(dollar amounts in thousands)

Year Ending June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2001	\$1,116,846	\$ 1,254,341	\$137,496	89.0%	\$ 403,258	34.1%
2000	1,037,466	1,174,087	136,621	88.4%	387,999	35.2%
1999	931,056	1,066,400	135,343	87.3%	372,299	36.4%
1998	821,977	955,694	133,717	86.0%	357,899	37.4%
1997	717,396	849,179	131,783	84.5%	364,695	36.1%
1996	570,776	700,377	129,601	81.5%	355,895	36.4%
1995	520,850	648,052	127,202	80.4%	346,975	36.7%
1994	473,229	597,851	124,622	79.2%	335,155	37.2%
1993	433,327	555,220	121,893	78.1%	324,537	37.6%
1992	390,098	509,140	119,042	76.6%	312,347	38.1%
1991	360,301	476,397	116,096	75.6%	316,669	36.7%
1990	328,338	441,414	113,076	74.4%	289,641	39.0%

2. GASB Statement No. 27 requires the development of Annual Pension Cost and Net Pension Obligation. This development is shown in the following table.

DEVELOPMENT OF PENSION COST AND NET PENSION OBLIGATION (NPO)

Year Ending June 30	Annual Required Contribution	Interest on NPO	Amortization of NPO	Pension Cost (1)+(2)-(3)	Actual Contribution	Change in NPO (4)-(5)	NPO Balance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1988	16,294,346	0	0	16,294,346	17,186,259	(891,913)	(891,913)
1989	18,072,172	(75,813)	(74,450)	18,070,809	19,000,000	(929,191)	(1,821,104)
1990	21,320,155	(154,794)	(145,688)	21,311,049	19,561,000	1,750,049	(71,055)
1991	25,013,437	(6,040)	(5,299)	25,012,696	15,000,000	10,012,696	9,941,641
1992	28,595,220	845,039	833,331	28,606,928	14,618,992	13,987,936	23,929,577
1993	28,819,875	2,034,014	2,274,675	28,579,214	19,890,048	8,689,166	32,618,743
1994	25,805,408	2,772,593	2,970,742	25,607,259	20,580,000	5,027,259	37,646,002
1995	27,451,926	3,199,910	3,544,821	27,107,015	18,080,000	9,027,015	46,673,017
1996	28,711,597	3,967,206	4,374,228	28,304,575	11,480,000	16,824,575	63,497,592
1997	30,721,768	5,397,295	6,111,414	30,007,649	18,080,000	11,927,649	75,425,241
1998	26,927,205	6,411,145	6,285,437	27,052,913	18,106,581	8,946,332	84,371,573
1999	20,723,874	7,171,584	8,231,373	19,664,085	18,080,000	1,584,085	85,955,658
2000	19,936,345	7,306,231	8,385,918	18,856,658	18,586,240	270,418	86,226,076
2001	20,970,278	7,329,216	8,412,300	19,887,194	19,143,827	743,367	86,969,443



SCHEDULE A

VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES OF THE
STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
PREPARED AS OF JUNE 30, 2001

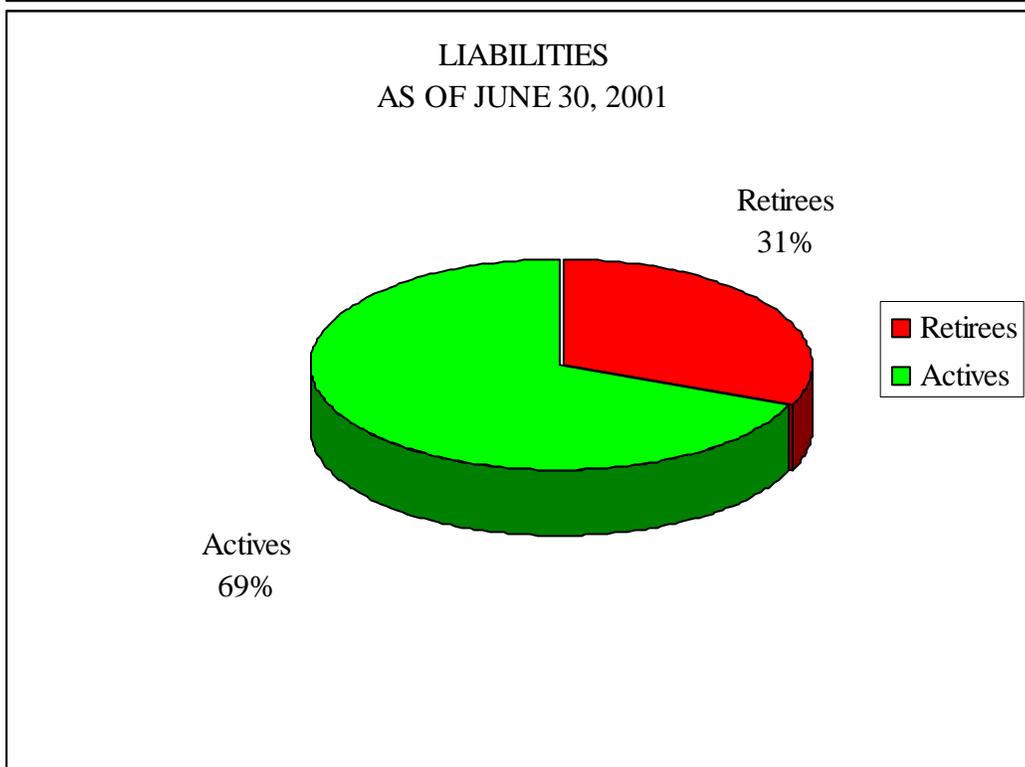
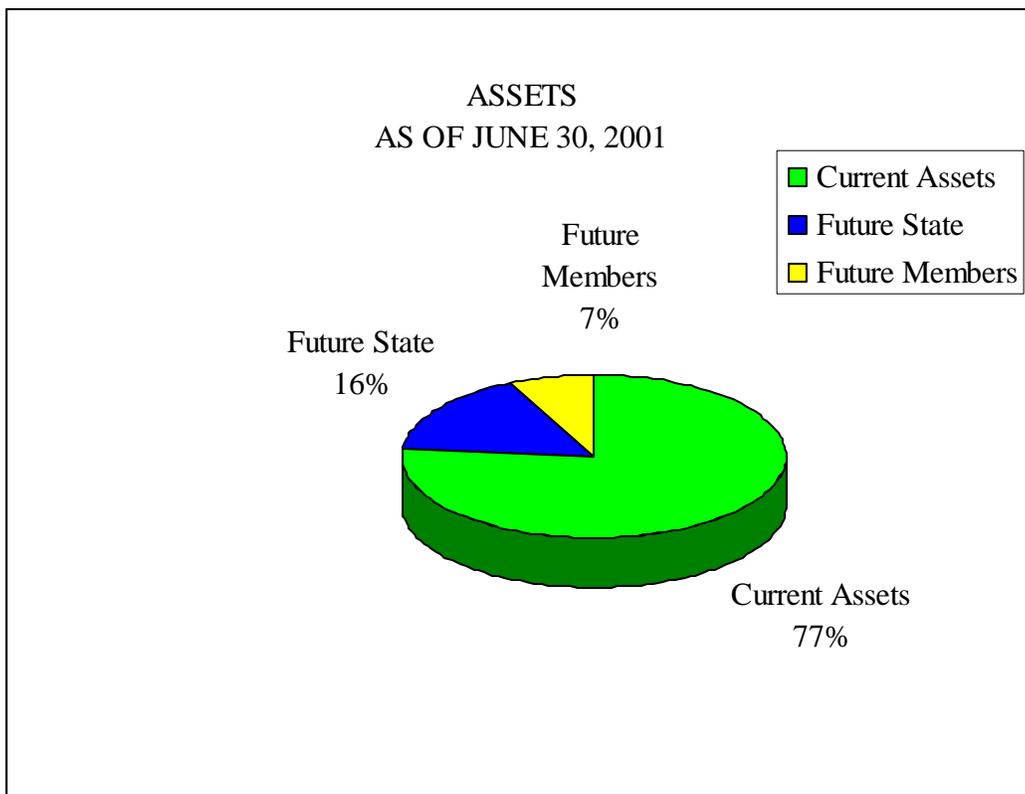
VALUATION BALANCE SHEET
 SHOWING THE ASSETS AND LIABILITIES OF THE
 STATE TEACHERS' RETIREMENT SYSTEM OF VERMONT
 PREPARED AS OF JUNE 30, 2001

ASSETS

Adjusted assets of the system		\$1,116,845,541
Present value of prospective contributions		
Members	\$108,554,659	
State		
Accrued liability contributions	137,495,648	
Normal contributions	<u>99,829,523</u>	
Total prospective contributions		<u>\$ 345,879,830</u>
Total assets		<u>\$1,462,725,371</u>

LIABILITIES

Actuarial present value of benefits payable on account of present retired members, terminated vested members and beneficiaries		\$ 458,852,661
Actuarial present value of benefits expected to become payable on account of active and inactive members		<u>1,003,872,710</u>
Total liabilities		<u>\$1,462,725,371</u>



SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INTEREST RATE: 8½% per annum, compounded annually.

SEPARATIONS BEFORE NORMAL RETIREMENT: Representative values of the assumed annual rates of withdrawal, vested retirement, early retirement, disability and death are as follows:

Age	Withdrawal and Vested Retirement		Disability		Death	
	Males	Females	Males	Females	Males	Females
25	6.75%	8.10%	.01%	.02%	.04%	.03%
30	6.75	6.75	.02	.02	.04	.03
35	6.08	5.40	.02	.02	.04	.03
40	5.06	4.50	.04	.02	.08	.03
45	4.50	3.98	.07	.05	.08	.05
50	4.50	3.38	.24	.18	.12	.08
55	4.50	3.38	.44	.39	.12	.12
59	4.50	3.38	1.17	.71	.15	.18
60	4.50	3.38	1.47	.84	.15	.19
61	4.50	3.38	1.83	1.01	.50	.22

Age	Reduced Early Retirement		Full Early Retirement	
	Males	Females	Males	Females
50	-	-	22.0%	20.0%
55	10.00%	8.75%	30.8	20.0
56	8.00	6.25	17.6	10.0
57	6.00	6.25	16.5	10.0
58	6.00	6.25	16.5	10.0
59	6.00	6.25	20.9	10.0
60	6.00	12.50	27.5	20.0
61	20.00	12.50	22.0	17.0

SERVICE RETIREMENTS: Occur between ages 62 (60 for Group A) and 70. The assumed rates of service retirement are as follows:

Age	Annual Rate of Retirement	
	Male	Female
62	35.2%	25.0%
63	26.4	20.0
64	27.55	20.0
65	41.8	30.0
66	33.0	30.0
67	33.0	30.0
68	33.0	30.0
69	33.0	30.0
70	100.0	100.0

SALARY INCREASES: Representative values of the assumed annual rates of future salary increase are as follows:

Age	Annual Rate of Salary Increase
25	8.9%
30	8.1
35	7.3
40	6.7
45	6.1
50	5.5
55	5.1
60	4.9
64	4.9

DEATHS AFTER RETIREMENT: The 1995 Buck Mortality Table for the period after service retirement. A special mortality table was used for the period following disability retirement.

FUTURE EXPENSES: No provision made.

ACTUARIAL COST METHOD: Projected benefit method with aggregate level normal cost and frozen supplemental liability (entry age normal cost with frozen initial liability).

SPOUSE'S AGE: Husbands are assumed to be 3 years older than their wives.

PERCENT MARRIED: 85% of the male members and 35% of the female members are assumed to be married.

COST-OF-LIVING ADJUSTMENTS: Assumed to occur on January 1 following one year of retirement at the rate of 4% per annum for Group A and 2% per annum for Group C (beginning at age 62 for Group C reduced early retirements).

ASSET VALUATION METHOD: The amount of the assets for valuation purposes equals preliminary asset value plus 20% of the difference between market value and preliminary asset value. Preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payouts and expenses plus expected 8½% income. A further adjustment is made to ensure that the valuation assets are within 20% of the market value.

INACTIVE MEMBERS: Ten percent are assumed to return to active service, the remaining ninety percent are assumed to terminate.

HEALTH AND MEDICAL BENEFITS FOR RETIREES: Not included in this valuation.

SCHEDULE C

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES

Effective Date	July 1, 1947.
Creditable Service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Average annual compensation during highest 3 successive years.
Membership	Immediate upon employment.

	<u>GROUP A</u>	<u>GROUP C</u>
Service Retirement Allowance		
Eligibility	Age 60 or 30 years of creditable service.	Age 62 or 30 years of creditable service.
Amount of Allowance	Member annuity based on accumulated contributions plus a pension which, with member annuity, equals 1/60 of AFC times creditable service.	Member annuity based on accumulated contributions plus a pension which, with member annuity, equals 1/80 of AFC times creditable service prior to July 1, 1990 plus 1/60 of AFC times creditable service after July 1, 1990.
Minimum	\$6,600 after 30 years of creditable service (pro-rata portion if less than 30 years).	\$6,600 after 30 years of creditable service (pro-rata portion if less than 30 years).
Maximum	None	50% of AFC.
Early Retirement Allowance		
Eligibility	Age 55.	Age 55 and 5 years of creditable service.
Amount of Allowance	Actuarial equivalent of service allowance using AFC and creditable service at early retirement.	Accrued normal benefit reduced 6% for each year under age 62. No reduction if credited service is 30 years or more.
Vested Retirement Allowance		
Eligibility	5 years of creditable service.	5 years of creditable service.

	<u>GROUP A</u>	<u>GROUP C</u>
Amount of Allowance	Commencing at age 60 calculated as a service allowance using AFC and creditable service at termination.	Commencing at age 62, calculated as a service allowance using AFC and creditable service at termination.
Disability Retirement Allowance Eligibility	Total and permanent disability after 5 years of creditable service (5 years preceding retirement served in State).	Total and permanent disability after 5 years of creditable service (5 years preceding retirement served in State).
Amount of Allowance	Calculated as a service allowance based on AFC and creditable service at disability retirement, subject to a 25% of AFC minimum.	Calculated as a service allowance based on AFC and creditable service at disability retirement, subject to a 25% of AFC minimum.
Death Benefits Eligibility	Age 60 or 30 years of creditable service; 20 years of creditable service if in service at death.	Age 55 and 5 years of creditable service or 20 years of creditable service.
Amount of Allowance	Accrued allowance paid under 100% survivorship option. If the eligibility requirements are not met or if beneficiary so elects, the member's accumulated contributions are paid to the beneficiary or estate. Certain children's benefits may also be payable.	Accrued allowance paid under 100% survivorship option. If the eligibility requirements are not met or if beneficiary so elects, the member's accumulated contributions are paid to the beneficiary or estate. Certain children's benefits may also be payable.
Return of Contributions	If no other beneficiary is payable, a terminated member receives his accumulated contributions with interest.	If no other beneficiary is payable, a terminated member receives his accumulated contributions with interest.
Options	The allowance may be paid in various optional forms at the election of the member.	The allowance may be paid in various optional forms at the election of the member.

	<u>GROUP A</u>	<u>GROUP C</u>
Post-retirement Adjustments	On each December 31 allowances in payment for at least one year are adjusted for cost of living based on the consumer price index, but not in excess of 5%.	On each December 31, allowances in payment for at least one year are adjusted for cost of living based on one-half of the consumer price index, but not in excess of 5%. For members receiving a reduced early retirement allowance, the adjustment will not apply before age 62.
Contributions		
Members	5.5% of earnable compensation. Contributions stop after 25 years of creditable service.	3.4% of earnable compensation.
State	Normal and accrued liability contributions actuarially determined to keep the system financially sound.	Normal and accrued liability contributions actuarially determined to keep the system financially sound.

SCHEDULE D

SUMMARY TABLES OF MEMBER DATA AS OF JUNE 30, 2001

TABLE 1
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2001

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>		
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	158	3,696,897	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	158	3,696,897	
25 to 29	585	15,781,274	96	3,045,320	0	0	0	0	0	0	0	0	0	0	0	0	0	0	681	18,826,594	
30 to 34	519	14,838,717	381	12,825,545	71	2,575,176	0	0	0	0	0	0	0	0	0	0	0	0	971	30,239,438	
35 to 39	357	10,412,401	281	10,036,001	251	9,783,309	78	3,244,361	0	0	0	0	0	0	0	0	0	0	967	33,476,072	
40 to 44	400	11,478,088	277	9,938,759	300	12,284,786	321	14,104,127	84	3,961,297	0	0	0	0	0	0	0	0	1,382	51,767,057	
45 to 49	408	12,233,427	349	12,463,543	404	16,732,815	341	15,909,640	469	22,513,732	161	7,857,028	1	37,622	0	0	1	61,686	2,134	87,809,493	
50 to 54	292	9,428,232	300	11,426,179	435	18,601,121	407	18,618,740	441	21,551,950	558	27,843,904	54	2,834,675	0	0	0	0	2,487	110,304,801	
55 to 59	99	3,164,035	107	4,316,507	188	7,808,959	194	8,926,531	181	8,768,963	235	11,663,637	123	6,336,993	23	1,175,820	0	0	1,150	52,161,445	
60 to 64	40	1,437,093	26	994,837	37	1,626,366	47	2,194,526	49	2,414,299	41	2,074,821	27	1,298,750	18	933,367	2	112,621	287	13,086,680	
65 to 69	8	244,122	5	228,401	4	175,737	5	253,765	2	77,541	2	98,091	1	59,756	4	221,243	2	101,525	33	1,460,181	
70 & up	10	258,393	0	0	2	73,885	1	47,485	0	0	0	0	0	1	49,884	0	0	14	429,647		
TOTAL	2,876	82,972,679	1,822	65,275,092	1,692	69,662,154	1,394	63,299,175	1,226	59,287,782	997	49,537,481	206	10,567,796	46	2,380,314	5	275,832	10,264	403,258,305	

TABLE 2
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2001

GROUP A

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>		
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	6	245,393	4	203,035	0	0	0	0	0	0	0	0	10	448,428	
45 to 49	0	0	1	15,774	0	0	3	121,381	7	311,607	2	99,921	0	0	0	0	0	0	13	548,683	
50 to 54	0	0	0	0	2	97,415	1	38,992	7	326,417	9	457,673	3	165,455	0	0	0	0	22	1,085,952	
55 to 59	0	0	0	0	1	42,333	2	92,374	4	195,372	1	51,473	9	471,677	1	56,778	0	0	18	910,007	
60 to 64	0	0	0	0	1	47,468	2	98,502	2	91,164	1	61,245	1	47,516	2	93,991	0	0	9	439,886	
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	60,398	1	60,398	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	1	15,774	4	187,216	14	596,642	24	1,127,595	13	670,312	13	684,648	3	150,769	1	60,398	73	3,493,354	

TABLE 3
THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY AGE AND SERVICE
AS OF JUNE 30, 2001

GROUP C

AGE	<i>0 to 4</i>		<i>5 to 9</i>		<i>10 to 14</i>		<i>15 to 19</i>		<i>20 to 24</i>		<i>25 to 29</i>		<i>30 to 34</i>		<i>35 to 39</i>		<i>40 & up</i>		<i>Total</i>	
	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary	No.	Salary
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	158	3,696,897	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	158	3,696,897
25 to 29	585	15,781,274	96	3,045,320	0	0	0	0	0	0	0	0	0	0	0	0	0	0	681	18,826,594
30 to 34	519	14,838,717	381	12,825,545	71	2,575,176	0	0	0	0	0	0	0	0	0	0	0	0	971	30,239,438
35 to 39	357	10,412,401	281	10,036,001	251	9,783,309	78	3,244,361	0	0	0	0	0	0	0	0	0	0	967	33,476,072
40 to 44	400	11,478,088	277	9,938,759	300	12,284,786	315	13,858,734	80	3,758,262	0	0	0	0	0	0	0	0	1,372	51,318,629
45 to 49	408	12,233,427	348	12,447,769	404	16,732,815	338	15,788,259	462	22,202,125	159	7,757,107	1	37,622	0	0	1	61,686	2,121	87,260,810
50 to 54	292	9,428,232	300	11,426,179	433	18,503,706	406	18,579,748	434	21,225,533	549	27,386,231	51	2,669,220	0	0	0	0	2,465	109,218,849
55 to 59	99	3,164,035	107	4,316,507	187	7,766,626	192	8,834,157	177	8,573,591	234	11,612,164	114	5,865,316	22	1,119,042	0	0	1,132	51,251,438
60 to 64	40	1,437,093	26	994,837	36	1,578,898	45	2,096,024	47	2,323,135	40	2,013,576	26	1,251,234	16	839,376	2	112,621	278	12,646,794
65 to 69	8	244,122	5	228,401	4	175,737	5	253,765	2	77,541	2	98,091	1	59,756	4	221,243	1	41,127	32	1,399,783
70 & up	10	258,393	0	0	2	73,885	1	47,485	0	0	0	0	0	1	49,884	0	0	14	429,647	
TOTAL	2,876	82,972,679	1,821	65,259,318	1,688	69,474,938	1,380	62,702,533	1,202	58,160,187	984	48,867,169	193	9,883,148	43	2,229,545	4	215,434	10,191	399,764,951

TABLE 4

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2001

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
0 - 500	13	\$ 3,270	-	\$ -	1	\$ 412
501 - 1,000	18	14,064	-	-	3	2,235
1,001 - 1,500	41	52,878	-	-	4	4,863
1,501 - 2,000	63	111,303	-	-	6	10,289
2,001 - 2,500	86	194,888	-	-	8	19,134
2,501 - 3,000	80	220,611	-	-	12	32,837
3,001 - 3,500	87	284,717	-	-	14	45,114
3,501 - 4,000	109	409,971	-	-	14	51,968
4,001 - 4,500	107	456,452	1	4,121	11	47,380
4,501 - 5,000	98	463,840	2	9,431	11	53,289
5,001 - 5,500	104	545,697	2	10,529	14	73,592
5,501 - 6,000	118	677,171	5	28,438	9	51,108
6,001 - 6,500	98	611,890	2	12,379	12	74,312
6,501 - 7,000	82	552,304	3	19,762	13	87,287
7,001 - 7,500	91	661,629	4	29,182	8	57,849
7,501 - 8,000	91	704,776	5	38,395	11	85,917
8,001 - 8,500	85	703,605	6	48,921	9	74,528
8,501 - 9,000	83	727,459	3	26,183	8	69,581
9,001 - 9,500	93	861,286	9	82,635	8	73,613
9,501 - 10,000	93	905,269	10	97,501	11	107,505
10,001 - 10,500	87	889,624	3	30,900	5	51,060
10,501 - 11,000	81	870,982	8	86,508	8	85,986
11,001 - 11,500	89	1,000,391	9	101,736	8	89,551
11,501 - 12,000	66	775,716	6	70,417	3	35,111
12,001 - 12,500	61	746,117	2	24,572	5	61,109
12,501 - 13,000	92	1,173,059	4	51,011	4	50,952
13,001 - 13,500	81	1,071,452	1	13,115	5	65,937
13,501 - 14,000	98	1,347,795	1	13,530	3	41,209
14,001 - 14,500	73	1,042,978	4	56,293	1	14,498
14,501 - 15,000	84	1,238,336	2	29,587	5	73,870
15,001 - 15,500	74	1,127,347	2	30,530	1	15,376
15,501 - 16,000	56	882,721	-	-	2	31,365
16,001 - 16,500	67	1,089,746	2	32,783	1	16,010
16,501 - 17,000	51	854,002	3	50,141	2	33,284
17,001 - 17,500	60	1,033,919	-	-	-	-
17,501 - 18,000	66	1,171,146	1	17,778	-	-
18,001 - 18,500	58	1,059,010	1	18,204	-	-
18,501 - 19,000	59	1,105,980	1	18,722	2	37,247
19,001 - 19,500	50	962,715	-	-	1	19,113
19,501 - 20,000	58	1,142,820	-	-	-	-
20,001 - 20,500	37	748,650	-	-	1	20,314
20,501 - 21,000	45	932,160	1	20,890	-	-

TABLE 4, continued

SUMMARY OF RETIRED MEMBER AND BENEFICIARY DATA
BY LEVEL OF ANNUAL ALLOWANCE AS OF JUNE 30, 2001

ALL TEACHERS

Allowance Level	Service Pensioners		Disability Pensioners		Beneficiaries	
	Number	Annual Allowance	Number	Annual Allowance	Number	Annual Allowance
21,001 - 21,500	20	423,952	-	-	-	-
21,501 - 22,000	30	652,210	-	-	-	-
22,001 - 22,500	25	555,234	-	-	-	-
22,501 - 23,000	31	704,612	-	-	-	-
23,001 - 23,500	23	533,604	-	-	-	-
23,501 - 24,000	21	499,827	1	23,779	-	-
24,001 - 24,500	22	534,965	1	24,409	-	-
24,501 - 25,000	19	470,424	-	-	-	-
Over 25,000	138	4,145,413	-	-	1	30,319
Total	3,462	\$ 39,949,987	105	\$ 1,122,382	245	\$ 1,795,124

SCHEDULE E

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL
ACCRUED LIABILITY

AMORTIZATION SCHEDULE FOR THE UNFUNDED ACTUARIAL
ACCRUED LIABILITY

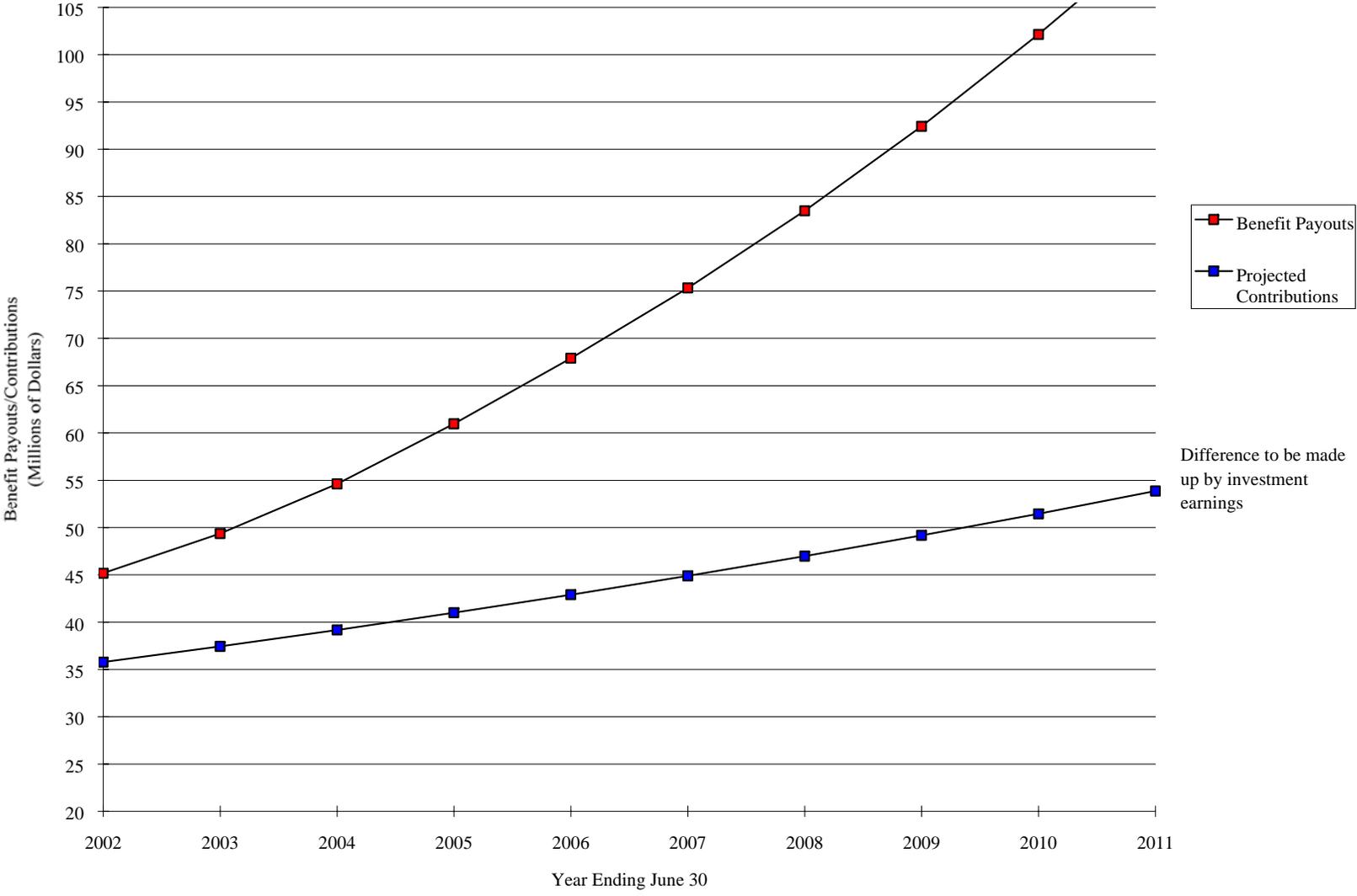
Date	Balance	Contribution (Year Following)
6/30/2001	137,495,648	10,815,322
6/30/2002	137,907,805	11,356,088
6/30/2003	137,791,247	11,923,892
6/30/2004	137,072,846	12,520,087
6/30/2005	135,671,847	13,146,091
6/30/2006	133,499,154	13,803,396
6/30/2007	130,456,542	14,493,566
6/30/2008	126,435,806	15,218,244
6/30/2009	121,317,830	15,979,156
6/30/2010	114,971,575	16,778,114
6/30/2011	107,252,975	17,617,020
6/30/2012	98,003,735	18,497,871
6/30/2013	87,050,022	19,422,765
6/30/2014	74,201,041	20,393,903
6/30/2015	59,247,486	21,413,598
6/30/2016	41,959,846	22,484,278
6/30/2017	22,086,573	23,608,492
6/30/2018	0	0

SCHEDULE F

PROJECTED BENEFIT PAYOUTS AND
CONTRIBUTIONS FOR THE PERIOD
JULY 1, 2001 THROUGH JUNE 30, 2011

PROJECTED BENEFIT PAYOUTS AND CONTRIBUTIONS

JULY 1, 2001 THROUGH JUNE 30, 2011



SCHEDULE G

PROJECTION OF CONTRIBUTIONS FOR FOLLOWING TWO FISCAL YEARS

PROJECTION OF CONTRIBUTIONS FOR FOLLOWING TWO FISCAL YEARS

The June 30, 2001 actuarial valuation indicates that the contribution for fiscal year ending June 30, 2002, is \$22,146,880 based on the following:

Payroll	\$403,258,305
Normal rate	2.81%
Accrued liability contribution	\$10,815,322

On this basis, the projected contributions for the following two fiscal years are as follows:

Fiscal Year	Projected Payroll	Normal Rate	CONTRIBUTIONS		
			Normal	Accrued Liability	Total
FY 2003	\$421,405,000	2.81%	\$11,841,000	\$11,356,088	\$23,197,088
FY 2004	440,368,000	2.81%	12,374,000	11,923,892	24,297,892

In these projections, we assumed that total payroll would increase by 4½% each year.